

Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Information Returns Processing (IRP)
5. UPI:	015-45-01-14-01-2400-00
6. What kind of investment will this be in FY2008?	
Mixed Life Cycle	
7. What was the first budget year this investment was submitted to OMB?	
FY2001 or earlier	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>The Information Returns Processing (IRP) investment is a operational mission critical system. IRP is a group of compliance projects providing data and support for IRS to effectively administer the U. S. tax system. IRP processes over a billion information documents each year and maintains a data store of over 8 billion information documents. IRP performs compliance analysis with these documents and master file account data. IRP provides data and analysis to business functions throughout the IRS, as well as external federal and state trading partners. IRP is an operational system currently in the Control phase of the IRS CPIC process. In the Control phase, IRP is continuously monitored for cost, schedule and project performance. The IRS ensures that operational systems are executed in a disciplined, well-managed and consistent manner through timely oversight, quality control and executive review. IRP was re-selected by the MITS Enterprise Governance Committee (MEG) as part of the Annual Portfolio Selection Process in August 2004. Information return documents are, by statute, required to be submitted to the Secretary of the Treasury or his delegate, the IRS. IRP processes these documents submitted by employers, banks and other payers. The documents report income such as wages, pensions, annuities, interest and dividends, as well as other reportable transactions representing income paid to taxpayers and tax deductible amounts. IRP is an integral component of the IRS tax compliance strategy. It reconciles information provided by employers and payers with income reported by taxpayers to ensure that all required income tax returns are filed and that all income shown on the information returns is reported. If a discrepancy is discovered during reconciliation, an IRP case is created. IRP compliance processing will review, on average, over 126 million income tax returns a year. Of these returns, IRP identifies 13 million potential filing compliance cases and 16 million potential reporting compliance cases. This results in 1.1 million new assessments representing \$2.1 billion in increased tax liability. IRP educates taxpayers by identifying when they have omitted an item that would reduce tax liability, such as excess FICA (Social Security Tax). IRP is also the primary source of data for a wide range of business functions across IRS and is mandated by law to share Federal Tax Information (FTI) with states for purposes of tax administration.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2006-08-09	
10. Did the Project Manager review this Exhibit?	
yes	
11. Project Manager Name:	
Gertscher, James	
Project Manager Phone:	
202-283-4304	
Project Manager Email:	
Jim.Gertscher@irs.gov	
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.	
no	

12.a. Will this investment include electronic assets (including computers)?	
no	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment support one of the PMA initiatives?	
yes	
If yes, select the initiatives that apply:	
Financial Performance	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
The IRP investment supports the President's Management Agenda (PMA) goal of improved financial performance. IRP maintains information return data for both the payer and the payee of reportable transactions.	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
no	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 1	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(1) Project manager has been validated as qualified for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	0
Software	0
Services	100
Other	0
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
no	
22. Contact information of individual responsible for privacy related questions.	
Name	
Susan Dennis	
Phone Number	
202-622-5438	
Title	
Management & Program Analyst	
Email	
Susan.Dennis@irs.gov	
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?	
yes	
SUMMARY OF SPEND	
1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE	

Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.000	0.000
Maintenance Budgetary Resources	17.880	0.660	0.040
Government FTE Cost	0.000	6.750	7.550
# of FTEs	219	67	66

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2003	Treasury Strategic Goal: Manage the Government's Finances Effectively. IRS Strategic Goals: Enhance Enforcement of the Tax Law; Improve Taxpayer Service Assist taxpayer's to understand and meet their tax responsibilities. Fairly administer tax law.	Provide the business early access to information returns by accelerated loading of 90% of the data.	90.0%	Information return data loaded early as a percent of the end of year total data. Measurement available in internal end of year reports.	93.8% as of 01/31/2004
2	2003	Treasury Strategic Goal: Manage the	Data extracted on-time (100%)	100%	On-time measures on an	100% as of 09/30/2003

		Government's Finances Effectively. IRS Strategic Goals: Enhance Enforcement of the Tax Law; Improve Taxpayer Service Assist taxpayer's to understand and meet their tax responsibilities. Fairly administer tax law.	according to the schedule in the Internal Revenue Manual 2.7.9 MCC Processing Timeliness.		annual basis (# on-time / # weeks). Measurement data is provided by the Computing Center.	
3	2004	Strategic Goal listed in FY 2003	Provide the business early access to information returns by accelerated loading of 94% of the data.	93.8%	Information return data loaded early as a percent of the end of year total data. Measurement available in internal end of year reports.	95.5% as of 01/31/2005
4	2004	Strategic Goal listed in FY 2003	Data extracted on-time (100%) according to the schedule in the Internal Revenue Manual 2.7.9 MCC Processing Timeliness. This project will continue to meet baseline.	100%	On-time measures on an annual basis (# on-time / # weeks). Measurement data is provided by the Computing Center.	100% as of 09/30/2004
5	2005	Strategic Goal listed in FY 2003	Provide the business early access to information returns by accelerated loading of 95% of the data.	94%	Information return data loaded early as a percent of the end of year total data. Measurement available in internal end of year reports.	94.3% as of 01/31/2006
6	2005	Strategic Goal listed in FY 2003	Data extractions should be on-time according to the schedule in the Internal Revenue Manual 2.7.9 Information Technology Services - Enterprise Computing Center - Martinsburg (ECC-MTB) Processing Timeliness. This project will continue to meet baseline.	100%	On-time measures on an annual basis (# on-time / # weeks). Measurement data is provided by the Computing Center.	100% as of 12/31/2005
7	2006	Strategic Goal listed in FY 2003	Provide the business early access to information returns by accelerated loading of 95.5% of the data.	95.0%	Information return data loaded early as a percent of the end of year total data. Measurement	94.3% as of 01/31/2006

					available in internal end of year reports.	
8	2006	Strategic Goal listed in FY 2003	Data extractions should be on-time according to the schedule in the Internal Revenue Manual 2.7.9 Information Technology Services - Enterprise Computing Center - Martinsburg (ECC-MTB) Processing Timeliness. This project will continue to meet baseline, which is 100% based on the latest performance.	100%	On-time measures on an annual basis (# on-time / # weeks). Measurement data is provided by the Computing Center.	100% as of 09/30/2006
9	2007	Strategic Goal listed in FY 2003	System Availability for Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online) 95.5%.	95.5%	Information return data loaded early as a percent of the end of year total data. Measurement available in internal end of year reports.	-
10	2007	Strategic Goal listed in FY 2003	Software programs implemented containing errors creating ITAMS reports.	95.5%	On-time measures on an annual basis (# on-time / # weeks). Measurement data is provided by the Computing Center.	-

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
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EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

This project is part of the Taxation Management Segment (LOB). Taxation Management is a priority for the Treasury EA and is scheduled for definition in FY07.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Data Exchange	IRP receives electronically filed and transcribed information return data from various sources, such as banks, employers, etc. The IRS and Social Security Administration participate in a 2-way exchange of data. Data is also exchanged with external trading partners that have the need and the authority to obtain the data. SRM to TRM relationship is One to Many.	Data Management	Data Exchange			No Reuse	0
2	Data Cleansing	IRP project has components that cleanse date fields and other data. SRM to TRM relationship in One to Many.	Data Management	Data Cleansing			No Reuse	0
3	Data Warehouse	IRP project stores almost nine billion records for a specific period then it is archived or removed. SRM to TRM relationship is One to Many.	Data Management	Data Warehouse			No Reuse	0
4	Loading and Archiving	IRP project has components that provide for the loading of transcribed data, as well as the receiving and loading of electronic data. Validation and other	Data Management	Loading and Archiving			No Reuse	0

		checks are performed before accepting the data. The data resides on IRP for a specific period the it is archived or removed. SRM to TRM relationship is One to Many.						
5	Standard / Canned	IRP produces Standardized/Canned reports to support IRS tax compliance functions. SRM to TRM relationship is One to Many.	Reporting	Standardized / Canned			No Reuse	0

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Service Access and Delivery	Access Channels	Other Electronic Channels	Custom code
2	Data Exchange	Component Framework	Data Management	Reporting and Analysis	Custom code
3	Data Exchange	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Custom code
4	Data Cleansing	Component Framework	Data Management	Reporting and Analysis	Custom code
5	Data Cleansing	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Custom code
6	Data Cleansing	Service Access and Delivery	Access Channels	Other Electronic Channels	Custom Code
7	Data Warehouse	Component Framework	Data Management	Reporting and Analysis	Custom code
8	Data Warehouse	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Custom code
9	Data Warehouse	Service Access and Delivery	Access Channels	Other Electronic Channels	Custom code
10	Loading and Archiving	Service Interface and Integration	Interface	Service Description / Interface	Custom code
11	Loading and Archiving	Service Access and Delivery	Service Transport	Service Transport	Custom code
12	Standardized / Canned	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Custom code
13	Standardized / Canned	Component Framework	Data Management	Reporting and Analysis	Custom code
14	Customer / Account Management	Component Framework	Data Management	Reporting and Analysis	Custom code

15	Customer / Account Management	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Custom code
16	Customer / Account Management	Service Access and Delivery	Access Channels	Other Electronic Channels	Custom code
17	Library / Storage	Component Framework	Data Management	Reporting and Analysis	Custom code
18	Library / Storage	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Custom code
19	Library / Storage	Service Access and Delivery	Access Channels	Other Electronic Channels	Custom code

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

5.a. If yes, please describe.

No

6. Does this investment provide the public with access to a government automated information system?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2006-10-19

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)

IRP's life cycle costs are risk adjusted. The cost to implement identified mitigation strategies are included in cost and schedule. Contingency costs are managed through Applications Development oversight.

COST & SCHEDULE

Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

What costs are included in the reported Cost/Schedule Performance information?

Government Only

2.e. As of date:

2006-09-30

7.c. If yes, what corrective actions are being taken?

In April 06, after the reorg, actual labor charges for the Information Returns Processing.Railroad Administration and Passport Component of IRP was switched from FSD/IMD (MS 2) to CDSM (MS 1)) thru the end of FY06. However, the budget was not adjusted accordingly. If this budget adjustment was made, the overall FY06 cost variance for IRP is still 0.84%, which is in the acceptable range.

8. Have any significant changes been made to the baseline during the past fiscal year?

yes

